

practices to educate and motivate employees and officers to participate fully in that environment—through, among other things, promotions, other nonmonetary awards, and recognition for a job well done.

The Conference substitute combines the House and Senate provisions, with modifications.

The Conference concurs that creating these additional responsibilities for the heads of the intelligence components will institute a clearer relationship between the Under Secretary for Intelligence and Analysis and the intelligence components of the Department. Successful implementation of this section should result in a strengthened departmental intelligence capability allowing information and intelligence to be seamlessly fused into intelligence products that are truly National. It would integrate information obtained at America's land and maritime borders; from State and local governments; and including intelligence on ports, mass transit facilities, chemical plants, and other critical infrastructure. While the Department has taken many solid steps in this direction since the completion of the Second Stage Review in July 2005, the Conference believes that the Secretary must redouble efforts to better integrate the intelligence components of the Department internally.

The Conference notes that one of the greatest challenges to establishing the ISE is conveying its importance to employees and officers across the Federal Government who are being asked to do something new and—in many cases—foreign to them. Incentives will motivate many such employees and officers to educate themselves about the guidelines, instructions, policies, procedures, and standards that are applicable to the ISE and how their particular agency or department is incorporating them into its culture. The Conference observes, however, that nothing in this section should be construed to prohibit an agency or department head, in consultation with the program manager of the ISE under section 1016 of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 485) (“ISE Program Manager”), from prescribing appropriate penalties for failing to participate fully in the ISE.

#### *Section 504. Information sharing*

There is no comparable House provision.

Section 112 of the Senate bill amends section 1016 of the Intelligence Reform and Terrorism Prevention Act of 2004 by broadening the definition of “terrorism information” to include both homeland security information and weapons of mass destruction information and by defining “weapons of mass destruction information.” Senate Section 112 likewise eliminates the temporary terms of both the ISE Program Manager and the Information Sharing Council, set to expire in April 2007, and makes them permanent. Additionally, it enhances the ISE Program Manager's government-wide authority not only by clarifying the Program Manager's existing authority over the information sharing activities of Federal agencies but also by establishing new authorities to (1) issue government-wide information sharing standards; (2) identify and resolve information sharing disputes; and (3) identify to the Director of National Intelligence appropriate personnel from agencies represented on the Information Sharing Council for detail assignments to the Program Manager to support staffing needs. Senate Section 112 also authorizes up to 40 FTEs and \$30,000,000 in each of the next two fiscal years to support the Program Manager. Finally, it requires the government to report on the feasibility of eliminating Originator Control markings, adopting an authorized use standard for in-

formation sharing, and using anonymized data to promote information sharing.

The Conference substitute adopts the Senate provision, with modifications. Among other things, it excludes “homeland security information”, as defined in Section 892(f) of the Homeland Security Act of 2002, from the definition of “terrorism information”. The specialized missions of the Department create for it a unique role within the larger Intelligence Community that requires, among other things, specific information for preventing, interdicting, and disrupting terrorist activity and securing the homeland in the aftermath of a terrorist attack. Accordingly, the Conferees concur that “homeland security information” is sufficiently distinct from the more broadly defined “terrorism information” to merit keeping the definitions separate.

#### *Section 511. Department of Homeland Security State, Local, and Regional Fusion Center initiative*

Section 732 of the House bill directs the Secretary to establish a DHS State, Local, and Regional Fusion Center Initiative to coordinate the Department's intelligence efforts with State, local, and regional fusion centers; assist fusion centers with carrying out their homeland security duties; facilitate information sharing efforts between fusion centers and the Department; encourage nationwide and integrated information sharing among fusion centers themselves; and incorporate robust privacy and civil liberties safeguards and training into fusion center operations.

Section 121 of the Senate bill contains comparable language.

The Conference concurs that the DHS State, Local, and Regional Fusion Center Initiative is key to Federal information sharing efforts and must succeed in order for the Department to remain relevant in the blossoming State and local intelligence community. State, local, and regional fusion centers are being successfully established across the country by State and local law enforcement and intelligence agencies. The Conference agrees that the Department's Office of Intelligence and Analysis, which has a primary responsibility for sharing information with State, local, and regional officials, needs to play a stronger, more constructive role in assisting these centers and are pleased to see that the Department has begun doing so. However, the Department must act quickly, thoroughly, and cooperatively in order to provide the maximum amount of support for these centers.

The Conference applauds the State, local, and regional efforts to make fusion centers a reality and the dedication of those who staff those centers. The Conference notes, however, that although fusion centers are led, operated, and otherwise run by States and localities, there is a need for a common baseline of operations at fusion centers in order to attain not only their full potential but also the full potential of the various initiatives undertaken in the Conference agreement. The Conference expects that the grant process established in the Conference substitute, the qualifying criteria for fusion centers wishing to participate in the DHS State, Local, and Regional Fusion Center Initiative, and the guidelines for fusion centers included in the Conference substitute will all help create a common baseline of operations for fusion centers that will ensure their success into the future.

The Conference substitute adopts Section 121 of the Senate bill, with modifications, to reflect the key functionalities and priorities of the Border Intelligence Fusion Center Program established in Section 712 of the House bill. That Program was designed to

provide the Department with a more robust “border intelligence” capability—a capability essential to improving the Department's ability to interdict terrorists, weapons of mass destruction, and related contraband at America's land and maritime borders. The Conference concurs that the Department can make better use of its resources, and obtain better situational awareness of terrorist threats at or involving those borders, by partnering more effectively with State, local, and tribal law enforcement officers in relevant jurisdictions. With better information sharing, those officers can act as “force multipliers” that may very well help prevent the next terrorist attack from abroad.

The Conference believes that by deploying officers and intelligence analysts from United States Customs and Border Protection (CBP), United States Immigration and Customs Enforcement (ICE), and the Coast Guard to fusion centers participating in the Program, the Department can increase its capacity to create accurate, actionable, and timely border intelligence products aimed at this threat. In order to maximize their effectiveness, CBP, ICE, and Coast Guard officers and analysts creating border intelligence products should not only include the input of police and sheriffs' officers as part of their process, but also should ensure that those products actually respond to the needs of officers in the field as expressed by those officers. The Conference accordingly believes that the Department personnel assigned to fusion centers under this section should communicate with State, local, and tribal law enforcement officers not only at fusion centers but also in their actual communities where they are headquartered.

While the Conference believes that the Department's effort at State, local, and regional fusion centers is a critical one that should be encouraged, they note that it is not the only such effort. The Federal Bureau of Investigation (FBI), for example, has had long-standing relationships with State, local, and tribal law enforcement and other emergency response providers through Joint Terrorism Task Forces (JTTFs) across the country and has established Field Intelligence Groups (FIGs) that are, in many cases, colocated with the fusion centers. Those relationships have continued through the JTTFs, FIGs, and an established and growing FBI presence at many fusion centers. Nothing in this section should be construed to subordinate the role of the FBI to the Department's own efforts with the JTTFs and at fusion centers. On the contrary, it is the Conferees hope that the Department, the FBI, and other Federal agencies will coordinate as equal players at State, local, and regional fusion centers in order to form a united Federal partnership with their State and local counterparts on the front lines of the nation's homeland security efforts.

Further, the Conference recognizes that the Coast Guard is establishing Interagency Operations Command Centers (IOCC's) pursuant to the SAFE Port Act and authorized under Section 70107A of title 46, United States Code. IOCC's are being developed as model Federal centers to improve interagency cooperation, unity of command, and the sharing of intelligence information in a common mission to provide greater protection for port and intermodal transportation systems against acts of terrorism in the maritime domain. Nothing in this section should be construed to subordinate the role of the Coast Guard's efforts with the IOCC's.

Finally, the Conference recognizes, consistent with the Fusion Center Guidelines produced jointly by the Department of Justice and DHS, the important role of the public safety component in the fusion process.